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Eradication of poverty and other development issues: implementation of the first United Nations Decade for the Eradication of Poverty (1997-2006)

Report of the Second Committee*

Rapporteur: Mr. Azanaw Tadesse **Abreha** (Ethiopia)

I. Introduction

1. The Second Committee held a substantive debate on agenda item 89 (see A/59/487, para. 2). Action on sub-item (a) was taken at the 36th, 39th and 40th meetings, on 24 November and 14 and 16 December 2004. An account of the Committee's consideration of the sub-item is contained in the relevant summary records (A/C.2/59/SR.36, 39 and 40).

II. Consideration of proposals

A. Draft resolutions A/C.2/59/L.49 and A/C.2/59/L.64

2. At the 36th meeting, on 24 November, the representative of Qatar, on behalf of the States Members of the United Nations that are members of the Group of 77 and China, introduced a draft resolution entitled "Role of microcredit in the eradication of poverty" (A/C.2/59/L.49), which read:

"*The General Assembly*,

"*Recalling* its resolutions 52/193 and 52/194 of 18 December 1997, 53/197 of 15 December 1998 and 58/221 of 23 December 2003,

* The report of the Committee on this item will be issued in four parts, under the symbol A/59/487 and Add.1-3.

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"*Recognizing* that microcredit programmes have succeeded in generating productive self-employment and proved to be an effective tool in freeing people from the poverty trap and reducing their vulnerability to crisis, and have led to their growing participation, in particular the participation of women, in the mainstream economic and political processes of society,

"*Recognizing also* the need to facilitate access for people living in poverty, especially women, to microcredit in order to enable them to undertake microenterprises to generate self-employment and contribute to achieving empowerment,

"*Recalling further* its resolution 53/197 of 15 December 1998, by which it proclaimed 2005 the International Year of Microcredit and requested that the observance of the Year be a special occasion for giving impetus to microcredit programmes in all countries, particularly the developing countries,

"*Encouraging* the holding of and supporting regional and subregional events on microcredit, and in this regard, welcoming the holding of the Asia-Pacific Region Microcredit Summit Meeting of Councils, in Dhaka, from 16 to 19 February 2004, the Middle East/Africa Region Microcredit Summit Meeting of Councils in Amman, from 10 to 13 October 2004, and the Eighth Inter-American Forum on Microenterprise in Santa Cruz, Bolivia, in September 2005,

"*Noting* that the international community is observing the period 1997-2006 as the first United Nations Decade for the Eradication of Poverty,

"1. *Takes note* of the report of the Secretary-General on the implementation of the first United Nations Decade for the Eradication of Poverty (1997-2006) and preparations for the International Year of Microcredit, 2005;

"2. *Emphasizes* that the observance of 2005 as the International Year of Microcredit will provide a significant opportunity to raise awareness of the importance of microcredit in the eradication of poverty, to share good practices and to further enhance financial sector developments that support sustainable pro-poor financial services in all countries;

"3. *Recognizes* the importance of scaling up microcredit and of using the Year as a platform to find ways of enhancing development impact and sustainability through the sharing of best practices and lessons learned;

"4. *Reiterates* its invitation to Member States, relevant organizations of the United Nations system, non-governmental organizations, the private sector and civil society to collaborate, including through making voluntary contributions, in observing the Year, to raise public awareness and knowledge about microcredit and to make voluntary contributions and/or to lend other forms of support to the Year, in accordance with the guidelines for international years;

"5. *Recognizes* that access to microcredit can contribute to the achievement of the goals and targets of major United Nations conferences and summits in the economic and social fields, including those contained in the United Nations Millennium Declaration, in particular the targets relating to poverty eradication, gender equality and the empowerment of women, and

requests the Secretary-General, in this regard, to include in his reports for the high-level event of the General Assembly in 2005, in accordance with the modalities to be set by the Assembly at its fifty-ninth session, the role of microcredit in attaining these goals and targets;

"6. *Decides* to devote two plenary meetings at its sixtieth and sixty-first sessions to the consideration of, respectively, the outcome and the follow-up to the International Year of Microcredit, with a view to broadening and deepening the discussion of this issue;

"7. *Requests* the Secretary-General to prepare a report on the observance of the International Year of Microcredit, 2005 and on new and innovative application of microcredit schemes for income generation and consumption and on best practices showcased during the Year and to submit it to the General Assembly at its sixty-first session under the item entitled 'Implementation of the first United Nations Decade for the Eradication of Poverty (1997-2006)'."

3. At the same meeting, the sponsor revised the draft resolution as follows: in the fourth operative paragraph, the words "and to make voluntary contributions and/or to lend other forms of support to the Year, in accordance with the guidelines for international years" were deleted.

4. At the 39th meeting, on 14 December, the Vice-Chairman of the Committee, Majdi Ramadan (Lebanon), introduced and orally corrected a draft resolution entitled "Role of microcredit and microfinance in the eradication of poverty" (A/C.2/59/L.64), which was submitted on the basis of informal consultations held on draft resolution A/C.2/59/L.49.

5. At the same meeting, the Committee adopted draft resolution A/C.2/59/L.64 (see para. 15, draft resolution I).

6. Before the adoption of the draft resolution, the representative of Peru made a statement (see A/C.2/59/SR.39).

7. In the light of the adoption of draft resolution A/C.2/59/L.64, draft resolution A/C.2/59/L.49 was withdrawn by its sponsors.

B. Draft resolutions A/C.2/59/L.50 and A/C.2/59/L.72

8. At the 36th meeting, on 24 November, the representative of Qatar, on behalf of the States Members of the United Nations that are members of the Group of 77 and China, introduced a draft resolution entitled "Implementation of the first United Nations Decade for the Eradication of Poverty (1997-2006)" (A/C.2/59/L.50), which read:

"*The General Assembly*,

"*Recalling* its resolutions 47/196 of 22 December 1992, 48/183 of 21 December 1993, 50/107 of 20 December 1995, 56/207 of 21 December 2001, 57/265 and 57/266 of 20 December 2002 and 58/222 of 23 December 2003,

"*Recalling also* the United Nations Millennium Declaration, adopted by heads of State and Government on the occasion of the Millennium Summit,

and their commitment to eradicate extreme poverty and to halve, by 2015, the proportion of the world's people whose income is less than one dollar a day and the proportion of people who suffer from hunger,

"*Underlining* the priority and urgency given by the heads of State and Government to the eradication of poverty, as expressed in the Monterrey Consensus of the International Conference on Financing for Development and in the outcomes of the World Summit on Sustainable Development,

"*Recalling* the outcomes of the major United Nations conferences and summits in the economic and social fields,

"*Bearing in mind* the outcomes of the World Summit for Social Development and the twenty-fourth special session of the General Assembly,

"*Expressing its deep concern* that the number of people living in extreme poverty in many countries continues to increase, with women and children constituting the majority and the most affected groups, in particular in the least developed countries and in sub-Saharan Africa,

"*Recognizing* that, while the rate of poverty in some countries has been reduced, some developing countries and disadvantaged groups are being marginalized and others are at risk of being marginalized and effectively excluded from the benefits of globalization, resulting in increased income disparity among and within countries, thereby constraining efforts to eradicate poverty,

"*Reiterating* the need to strengthen the leadership role of the United Nations in promoting development,

"1. *Takes note* of the report of the Secretary-General;

"2. *Reiterates* that eradicating poverty is the greatest global challenge facing the world today and an indispensable requirement for sustainable development, in particular for developing countries;

"3. *Underlines* that each country has the primary responsibility for its own sustainable development and poverty eradication, that the role of national policies and development strategies cannot be overemphasized and that concerted and concrete measures are required at all levels to enable developing countries to eradicate poverty and achieve sustainable development;

"4. *Reaffirms* the importance of the contributions and assistance made by developing countries to the other developing countries in the context of South-South cooperation in order to achieve development and poverty eradication;

"5. *Recognizes* that, for developing countries to reach the targets set in the context of national development strategies for the achievement of the internationally agreed development goals, including those contained in the Millennium Declaration, in particular the goal of the eradication of poverty, and for such poverty eradication strategies to be effective, it is imperative that developing countries be integrated into the world economy and share equitably in the benefits of globalization;

"6. *Reaffirms* that, within the context of overall action for the eradication of poverty, special attention should be given to the multidimensional nature of poverty and the national and international conditions and policies that are conducive to its eradication, fostering, inter alia, the social and economic integration of people living in poverty and the promotion and protection of all human rights and fundamental freedoms for all, including the right to development;

"Global response for the eradication of poverty

"7. *Stresses* the importance of the follow-up to the outcome of the International Conference on Financing for Development, and calls for the full and effective implementation of the Monterrey Consensus;

"8. *Reaffirms* that good governance at the international level is fundamental for achieving poverty eradication and sustainable development; that, in order to ensure a dynamic and enabling international economic environment, it is important to promote global economic governance through addressing the international finance, trade, technology and investment patterns that have an impact on the development prospects of developing countries; that, to that end, the international community should take all necessary and appropriate measures, including ensuring support to structural and macroeconomic reform, a comprehensive solution to the external debt problem and increasing market access for developing countries; that efforts to reform the international financial architecture need to be sustained with greater transparency and the effective participation of developing countries in decision-making processes; and that a universal, rule-based, open, non-discriminatory and equitable multilateral trading system, as well as meaningful trade liberalization, can substantially stimulate development worldwide, benefiting countries at all stages of development;

"9. *Also reaffirms* that good governance at the national level is essential for poverty eradication and sustainable development; that sound economic policies, solid democratic institutions responsive to the needs of the people and improved infrastructure are the basis for sustained economic growth, poverty eradication and employment creation; and that freedom, peace and security, domestic stability, respect for human rights, including the right to development, and the rule of law, gender equality, market-oriented policies and an overall commitment to just and democratic societies are also essential and mutually reinforcing;

"10. *Welcomes* the outcomes of the eleventh session of the United Nations Conference on Trade and Development, convened from 13 to 18 June 2004 in São Paulo, Brazil, and the adoption of the São Paulo Consensus, and emphasizes the importance for all countries of enhancing coherence between national development strategies and global economic processes towards economic growth and development, particularly in developing countries;

"11. *Recognizes* the major role that trade can play as an engine of growth and development and in eradicating poverty, welcomes the new framework agreement of the World Trade Organization of 1 August 2004, and stresses that the resumed Doha process should address the long-standing needs

and concerns of the developing countries in an effective and expeditious manner, thus making the Doha negotiations a genuine development round;

"12. *Emphasizes* that corruption at national and international levels is a serious barrier to development and poverty eradication efforts, encourages all Governments to combat corruption, bribery, money-laundering and the transfer of illicitly acquired funds and assets and to work for the return of such funds and assets to the countries of origin, and welcomes actions taken in that regard at the national and international levels;

"13. *Underlines* that together with coherent and consistent domestic policies, international cooperation is essential in supplementing and supporting the efforts of developing countries to utilize their domestic resources for development and poverty eradication and in ensuring that they will be able to achieve the development goals as envisioned in the Millennium Declaration;

"14. *Expresses concern* about the insufficient levels of official development assistance, which are below the internationally agreed target, reiterates that a substantial increase in official development assistance and other resources will be required if developing countries, in particular the least developed countries, are to achieve the internationally agreed development goals and objectives, including those contained in the Millennium Declaration, and that to build support for official development assistance, cooperation is necessary to further improve policies and development strategies to enhance aid effectiveness, both nationally and internationally, and in that regard calls for enhanced and predictable aid flows to ensure the sustainability of the development and poverty eradication efforts of developing countries;

"15. *Urges* developed countries that have not done so to make concrete efforts to reach the targets of 0.7 per cent of their gross national product as official development assistance to developing countries and 0.15 to 0.20 per cent of their gross national product to least developed countries, as reconfirmed at the Third United Nations Conference on the Least Developed Countries, held in Brussels from 14 to 20 May 2001, encourages developing countries to build on progress achieved in ensuring that official development assistance is used effectively to help achieve development goals and targets, acknowledges the efforts of all donors, commends those donors whose official development assistance contributions exceed, reach or are increasing towards the targets, and underlines the importance of undertaking to examine the means and time frames for achieving the targets and goals;

"16. *Underlines* the important role that innovative sources of financing could play in the promotion of development, including the fight against hunger and poverty, and welcomes in this regard the note by the Secretary-General on innovative sources of financing for development, the world leaders meeting on the action against hunger and poverty as well as ongoing analysis at the World Bank and the International Monetary Fund;

"17. *Recognizes* that an enabling domestic environment is vital for mobilizing domestic resources, increasing productivity, reducing capital flight, encouraging the private sector and attracting and making effective use of international investment and assistance, and that efforts to create such an environment should be supported by the international community;

"18. *Also recognizes* that creditors and debtors must share the responsibility for preventing and resolving unsustainable debt situations and that debt relief can play a key role in liberating resources that should be directed towards activities consistent with attaining poverty eradication, sustainable economic growth, sustainable development and the achievement of the internationally agreed development goals, including those contained in the Millennium Declaration, and in this regard urges countries to direct those resources freed through debt relief, in particular through debt cancellation and reduction, towards these objectives;

"19. *Calls upon* the developed countries, by means of intensified and effective cooperation with developing countries, to promote capacity-building and facilitate access to and transfer of technologies and corresponding knowledge, in particular to developing countries, on favourable terms, including concessional and preferential terms, as mutually agreed, taking into account the need to protect intellectual property rights, as well as the special needs of developing countries;

"20. *Recognizes* the crucial role that microcredit and microfinance could play in the eradication of poverty, the promotion of gender equality, the empowerment of vulnerable groups and the development of rural communities, encourages Governments to undertake policies to facilitate the expansion of microcredit and microfinance institutions in order to service the large unmet demand among poor people for financial services, including the identification and development of mechanisms to promote sustainable access to financial services, the removal of institutional and regulatory obstacles and the provision of incentives to microfinance institutions that meet established standards for delivering such financial services to the poor;

"21. *Also recognizes* the potential of information and communication technologies to serve as a powerful tool for development and poverty eradication and to help the international community maximize the benefits of globalization as well as minimize its negative impact, and welcomes in this regard the holding of the first phase of the World Summit on the Information Society from 10 to 12 December 2003 in Geneva and the offer of Tunisia to host the second phase in Tunis from 16 to 18 November 2005;

"Policies for the eradication of poverty

"22. *Reaffirms* that the eradication of poverty should be addressed in an integrated way, as set out in the Plan of Implementation of the World Summit on Sustainable Development ('Johannesburg Plan of Implementation'), taking into account the importance of the need for the empowerment of women and sectoral strategies in such areas as, inter alia, education, development of human resources, health, human settlements, rural, local and community development, productive employment, population, environment and natural resources, water and sanitation, agriculture, food security, energy and migration and the specific needs of disadvantaged and vulnerable groups in such a way as to increase opportunities and choices for people living in poverty and to enable them to build and to strengthen their assets so as to achieve development, security and stability, and in that regard encourages countries to develop their national poverty reduction policies in accordance

with their national priorities, including, where appropriate, through poverty reduction strategy papers;

"23. *Underlines* in this context the importance of further integration of the internationally agreed development goals, including those contained in the Millennium Declaration, in the national development strategies and plans, including the poverty reduction strategy papers where they exist, and calls upon the international community to continue to support developing countries in the implementation of these development strategies and plans;

"24. *Recognizes* the importance of disseminating best practices for the reduction of poverty in its various dimensions, taking into account the need to adapt those best practices to suit the social, economic, cultural and historical conditions of each country;

"25. *Reaffirms* that all Governments and the United Nations system should promote an active and visible policy of mainstreaming a gender perspective in all policies and programmes aimed at the eradication of poverty, at both the national and international levels, and encourages the use of gender analysis as a tool for the integration of a gender dimension into planning the implementation of policies, strategies and programmes for the eradication of poverty;

"26. *Also reaffirms* that poverty eradication, changing unsustainable patterns of production and consumption and protecting and managing the natural resource base of economic and social development are overarching objectives of, and essential requirements for, sustainable development;

"27. *Emphasizes* the critical role of both formal and non-formal education, in particular basic education and training, especially for girls, in empowering those living in poverty, reaffirms in that context the Dakar Framework for Action adopted at the World Education Forum, and recognizes the importance of the United Nations Educational, Scientific and Cultural Organization strategy for the eradication of poverty, especially extreme poverty, in supporting the Education For All programmes as a tool to achieve the Millennium Development Goal on universal primary education by 2015;

"28. *Recognizes* the devastating effect of HIV/AIDS, malaria, tuberculosis and other infectious, contagious diseases on human development, economic growth, food security and poverty reduction efforts in all regions, in particular in sub-Saharan Africa, and urges Governments and the international community to give urgent priority to combating those diseases;

"29. *Emphasizes* the link between poverty eradication and improving access to safe drinking water, and stresses in that regard the objective to halve, by 2015, the proportion of people who are unable to reach or to afford safe drinking water and the proportion of people who do not have access to basic sanitation, as reaffirmed in the Johannesburg Plan of Implementation;

"30. *Recognizes* that the lack of adequate housing remains a pressing challenge in the fight to eradicate extreme poverty, particularly in the urban areas in developing countries, expresses its concern at the rapid growth in the number of slum-dwellers in the urban areas of developing countries, particularly in Africa, stresses that, unless urgent and effective measures and

actions are taken at the national and international levels, the number of slum-dwellers, who constitute one third of the world's urban population, will continue to increase, and emphasizes the need for increased efforts, with a view to significantly improving the lives of at least 100 million slum-dwellers by 2020;

"Specific initiatives in the fight against poverty

"31. *Also recognizes* the important potential contribution of the World Solidarity Fund to the achievement of the Millennium Development Goals, in particular the objective to halve, by 2015, the proportion of people living on less than one dollar a day and the proportion of the people who suffer from hunger;

"32. *Takes note* of the preliminary meeting of the high-level committee of the World Solidarity Fund, held on 17 September 2004 at the headquarters of the United Nations Development Programme in New York, whose task is to define the strategy of the Fund and to mobilize resources to enable it to start its activities in the field of poverty alleviation;

"33. *Encourages* Member States, international organizations, the private sector, relevant institutions, foundations and individuals to contribute to the World Solidarity Fund;

"34. *Recalls* that in the Millennium Declaration, the heads of State and Government, inter alia, identified solidarity as one of the fundamental and universal values that should underline relations between peoples in the twenty-first century, and in that regard decides to proclaim 20 December each year International Human Solidarity Day;

"35. *Welcomes* the convening of the Meeting of World Leaders for Action against Hunger and Poverty, held in New York on 20 September 2004, upon the initiative of the Presidents of Brazil, Chile, France and Spain, with the support of the Secretary-General, and the resulting New York Declaration on Action against Hunger and Poverty, which urges the international community to take into consideration possible innovative mechanisms for financing development and fighting hunger and poverty;

"Africa, landlocked developing countries and small island developing States

"36. *Stresses*, as recognized in the Millennium Declaration, the importance of meeting the special needs of Africa, where poverty remains a major challenge and where most countries have not benefited fully from the opportunities of globalization, which has further exacerbated the continent's marginalization;

"37. *Reaffirms* its support for the New Partnership for Africa's Development, encourages further efforts in the implementation of the commitments contained therein in the political, economic and social fields, and calls upon the developed countries and the United Nations system to continue to support the Partnership, the primary objective of which is to eradicate poverty and promote sustainable development on the basis of African ownership and leadership and enhanced partnerships with the international

community, in accordance with the principles, objectives and priorities of the Partnership;

"38. *Stresses* that the external debt burden has pushed many developing countries to extreme poverty and that resources that could be used for the provision of social services, education, infrastructure and industrial development are diverted towards debt servicing;

"39. *Welcomes* the Plan of Action for Promotion of Employment and Poverty Alleviation, Africa adopted at the extraordinary summit of the African Union on employment and poverty alleviation, held in Ouagadougou from 3 to 9 September 2004;

"40. *Calls upon* the international community, the United Nations system and, in particular, the International Labour Organization to assist African countries in implementing the Plan of Action adopted at the Summit;

"41. *Calls upon* the Governments of the least developed countries and their development partners to implement fully the commitments contained in the Brussels Declaration and the Programme of Action for the Least Developed Countries for the Decade 2001-2010, adopted at the Third United Nations Conference on the Least Developed Countries, held in Brussels from 14 to 20 May 2001;

"42. *Stresses* the vulnerabilities of the small island developing States, reiterates the importance of the implementation of the Barbados Programme of Action for the Sustainable Development of Small Island Developing States, supports in this regard the holding of the International Meeting to Review the Implementation of the Programme of Action for the Sustainable Development of Small Island Developing States in Mauritius, from 10 to 14 January 2005, and invites the international community to fully support the implementation of the outcome of the International Meeting;

"43. *Recognizes* the particular needs and problems of landlocked developing countries, urges both bilateral and multilateral donors to increase financial and technical assistance to this group of countries in order to meet their particular development needs and to help them to overcome the impediments of geography by improving their transit transport systems and to create an environment, at the national, regional, subregional and global levels, that is conducive to development and to the elimination of poverty, and in this regard calls for the full and effective implementation of the Almaty Programme of Action: Addressing the Special Needs of Landlocked Developing Countries within a New Global Framework for Transit Transport Cooperation for Landlocked and Transit Developing Countries;

"The United Nations and the fight against poverty

"44. *Calls* for the full implementation of resolution 57/270 B of 23 June 2003 on the integrated and coordinated implementation of and follow-up to the outcomes of the major United Nations conferences and summits in the economic and social fields, which provide a comprehensive basis for the follow-up to the outcomes of those conferences and summits and contribute to the achievement of the internationally agreed development goals, including those contained in the Millennium Declaration, in particular the eradication of

poverty and hunger, and in this regard stresses the importance of the 2005 high-level event of the General Assembly to review progress in the achievement of the internationally agreed development goals, including those contained in the Millennium Declaration;

"45. *Reaffirms* the role of United Nations funds and programmes, in particular the United Nations Development Programme and its associated funds, in assisting the national efforts of developing countries, inter alia, in the eradication of poverty, and the need for their funding in accordance with the relevant resolutions of the United Nations;

"46. *Requests* the Secretary-General to submit a report to the General Assembly at its sixtieth session on the implementation of the present resolution;

"47. *Decides* to include in the provisional agenda of its sixtieth session the item entitled 'Implementation of the First United Nations Decade for the Eradication of Poverty (1997-2006)'."

9. At the 40th meeting, on 16 December, the Vice-Chairman of the Committee, Majdi Ramadan (Lebanon), introduced a draft resolution entitled "Implementation of the First United Nations Decade for the Eradication of Poverty (1997-2006)" (A/C.2/59/L.72), which was submitted on the basis of informal consultations held on draft resolution A/C.2/59/L.50.

10. At the same meeting, the Vice-Chairman orally corrected the draft resolution as follows: after operative paragraph 33, the following new paragraph was added:

"34. *Encourages* Governments to support the Global Campaign for Secure Tenure and the Global Campaign for Urban Governance of the United Nations Human Settlements Programme as important tools for, inter alia, promoting administration of land and property rights, in accordance with national circumstances, and enhancing access to affordable credit by the urban poor"

and the subsequent paragraphs were renumbered accordingly.

11. Before the adoption of the draft resolution, the representative of Cuba made a statement (see A/C.2/59/SR.40).

12. At the same meeting, the Committee adopted draft resolution A/C.2/59/L.72 as orally amended (see para. 15, draft resolution II).

13. After the adoption of the draft resolution, the representative of the United States of America made a statement (see A/C.2/59/SR.40).

14. In the light of the adoption of draft resolution A/C.2/59/L.72, draft resolution A/C.2/59/L.50 was withdrawn by its sponsors.

III. Recommendations of the Second Committee

15. The Second Committee recommends to the General Assembly the adoption of the following draft resolutions:

Draft resolution I
Role of microcredit and microfinance in the eradication of poverty

The General Assembly,

Recalling its resolutions 52/193 and 52/194 of 18 December 1997, 53/197 of 15 December 1998 and 58/221 of 23 December 2003,

Recognizing that microcredit and microfinance programmes have succeeded in generating productive self-employment and proved to be an effective tool in assisting people to overcome poverty and reducing their vulnerability to crisis, and have led to their growing participation, in particular the participation of women, in the mainstream economic and political processes of society,

Welcoming the efforts made in the field of property rights, and noting that an enabling environment at all levels, including transparent regulatory systems and competitive markets, foster the mobilization of resources and access to finance for people living in poverty,

Bearing in mind the importance of microfinance instruments, such as credit, savings and other financial products and services, in providing access to capital for people living in poverty,

Recognizing the need to create inclusive financial sectors in order to facilitate access for people living in poverty, especially women, to microfinance and microcredit so as to enable them to undertake microenterprises to generate employment and contribute to achieving self-empowerment, and to enhance their ability to increase income, build assets and mitigate vulnerability in times of hardship,

Noting that the availability of microcredit and microfinance to people living in poverty, especially women, can support entrepreneurship and spur the development of microenterprises, providing goods, services and income to the poor, thus raising incomes and fostering equitable growth,

Recalling its resolution 53/197 of 15 December 1998, by which it proclaimed 2005 the International Year of Microcredit and requested that the observance of the Year be a special occasion for giving impetus to microcredit and microfinance programmes in all countries, particularly the developing countries,

Encouraging the holding and supporting of regional, subregional and national events on the observance of the International Year of Microcredit, 2005,

Noting the ongoing efforts by the Department of Economic and Social Affairs of the Secretariat and the United Nations Capital Development Fund in jointly coordinating the activities of the United Nations system regarding the preparation and observance of the Year, and noting also the ongoing efforts of public and private development agencies, including the Consultive Group to Assist the Poor on Microfinance and Microcredit,

Noting also that the international community is observing the period 1997-2006 as the first United Nations Decade for the Eradication of Poverty,

1. *Takes note* of the report of the Secretary-General on the implementation of the first United Nations Decade for the Eradication of Poverty (1997-2006) and preparations for the International Year of Microcredit, 2005;[1]

2. *Welcomes* the launching of the International Year of Microcredit, 2005;

3. *Emphasizes* that the observance of 2005 as the International Year of Microcredit will provide a significant opportunity to raise awareness of the importance of microcredit and microfinance in the eradication of poverty, to share good practices and to further enhance financial sectors that support sustainable pro-poor financial services in all countries;

4. *Recognizes* the importance of scaling up microcredit and other microfinance instruments, using the Year as a platform to find ways of enhancing development impact and sustainability through the increased dissemination of data and sharing of best practices and lessons learned among microcredit and microfinance institutions, and welcomes the ongoing efforts of United Nations regional organizations, funds, programmes and specialized agencies responsible for operational activities related to development in promoting microfinance and microcredit institutions, inter alia, supporting the development of entrepreneurship;

5. *Reiterates* its invitation to Member States, relevant organizations of the United Nations system, non-governmental organizations, the private sector and civil society to collaborate, including through making voluntary contributions, in observing the Year, to raise public awareness and knowledge about microcredit and microfinance;

6. *Recognizes* that access to microfinance and microcredit can contribute to the achievement of the goals and targets of major United Nations conferences and summits in the economic and social fields, including those contained in the United Nations Millennium Declaration,[2] in particular the goals relating to poverty eradication, gender equality and the empowerment of women;

7. *Invites* Member States to consider undertaking policies to facilitate the expansion of microfinance and microcredit institutions in order to service the large unmet demand among poor people for financial services, including the identification and development of mechanisms to promote sustainable access to financial services, the removal of institutional and regulatory obstacles and the provision of incentives to microfinance institutions that meet national standards for delivering such financial services to the poor;

8. *Also invites* Member States to consider developing and promoting regulatory guidance and standards to ensure effectiveness in management, financial reporting, internal auditing, domestic supervision and accountability among microfinance institutions;

9. *Decides* to devote one plenary meeting at its sixty-first session to the consideration of the outcome and follow-up of the International Year of Microcredit,

[1] A/59/326 and Add.1.

[2] See resolution 55/2.

with a view to broadening and deepening the discussion about microcredit and microfinance;

10. *Requests* the Secretary-General to prepare a report on the observance of the International Year of Microcredit, 2005, and on the implementation of the present resolution, and to submit it to the General Assembly at its sixty-first session under the item entitled "Implementation of the First United Nations Decade for the Eradication of Poverty (1997-2006)".

Draft resolution II
Implementation of the first United Nations Decade for the Eradication of Poverty (1997-2006)

The General Assembly,

Recalling its resolutions 47/196 of 22 December 1992, 48/183 of 21 December 1993, 50/107 of 20 December 1995, 56/207 of 21 December 2001, 57/265 and 57/266 of 20 December 2002 and 58/222 of 23 December 2003,

Recalling also the United Nations Millennium Declaration,[1] adopted by heads of State and Government on the occasion of the Millennium Summit, and their commitment to eradicate extreme poverty and to halve, by 2015, the proportion of the world's people whose income is less than one dollar a day and the proportion of people who suffer from hunger,

Underlining the priority and urgency given by the heads of State and Government to the eradication of poverty, as expressed in the Monterrey Consensus of the International Conference on Financing for Development[2] and in the outcomes of the World Summit on Sustainable Development,[3]

Recalling the outcomes of the major United Nations conferences and summits in the economic and social fields,

Bearing in mind the outcomes of the World Summit for Social Development[4] and the twenty-fourth special session of the General Assembly,[5]

Expressing its deep concern that the number of people living in extreme poverty in many countries continues to increase, with women and children constituting the majority and the most affected groups, in particular in the least developed countries and in sub-Saharan Africa,

Welcoming the initiative launched by the Presidents of Brazil, Chile and France and the Prime Minister of Spain, with the support of the Secretary-General, to convene in New York, on 20 September 2004, a meeting of world leaders for action against hunger and poverty,

Noting the report of the Commission on Private Sector and Development entitled *Unleashing Entrepreneurship: Making Business Work for the Poor*,[6]

Reiterating the need to strengthen the leadership role of the United Nations in promoting development,

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[1] See resolution 55/2.

[2] *Report of the International Conference on Financing for Development, Monterrey, Mexico, 18-22 March 2002* (United Nations publication, Sales No. E.02.II.A.7), chap. I, resolution 1, annex.

[3] *Report of the World Summit on Sustainable Development, Johannesburg, South Africa, 26 August-4 September 2002* (United Nations publication, Sales No. E.03.II.A.1 and corrigendum), chap. I, resolution 1, annex, and resolution 2, annex.

[4] *Report of the World Summit for Social Development, Copenhagen, 6-12 March 1995* (United Nations publication, Sales No. E.96.IV.8), chap. I, resolution 1, annexes I and II.

[5] Resolution S-24/2, annex.

[6] United Nations publication, Sales No. E.04.III.B.4.

1. *Takes note* of the report of the Secretary-General;[7]

2. *Reiterates* that eradicating poverty is the greatest global challenge facing the world today and an indispensable requirement for sustainable development, in particular for developing countries;

3. *Underlines* that each country has the primary responsibility for its own sustainable development and poverty eradication, that the role of national policies and development strategies cannot be overemphasized, and that concerted and concrete measures are required at all levels to enable developing countries to eradicate poverty and achieve sustainable development;

4. *Acknowledges* that sustained economic growth, supported by rising productivity and a favourable environment including for private investment and entrepreneurship, is necessary to eradicate poverty, achieve the internationally agreed development goals, including those contained in the Millennium Declaration,[1] and realize a rise in living standards;

5. *Reaffirms* the importance of the contributions and assistance made by developing countries to the other developing countries in the context of South-South cooperation in order to achieve development and eradicate poverty;

6. *Recognizes* that, for developing countries to reach the targets set in the context of national development strategies for the achievement of the internationally agreed development goals, including those contained in the Millennium Declaration, in particular the goal on the eradication of poverty, and for such poverty eradication strategies to be effective, it is imperative that developing countries be integrated into the world economy and share equitably in the benefits of globalization;

7. *Reaffirms* that, within the context of overall action for the eradication of poverty, special attention should be given to the multidimensional nature of poverty and the national and international conditions and policies that are conducive to its eradication, fostering, inter alia, the social and economic integration of people living in poverty and the promotion and protection of all human rights and fundamental freedoms for all, including the right to development;

Global response for the eradication of poverty

8. *Stresses* the importance of the follow-up to the outcome of the International Conference on Financing for Development, and calls for the full and effective implementation of the Monterrey Consensus;[2]

9. *Reaffirms* that good governance at the international level is fundamental for achieving poverty eradication and sustainable development; that, in order to ensure a dynamic and enabling international economic environment, it is important to promote global economic governance through addressing the international finance, trade, technology and investment patterns that have an impact on the development prospects of developing countries; that, to that end, the international community should take all necessary and appropriate measures, including ensuring support for structural and macroeconomic reform, a comprehensive solution to the external debt problem and increasing market access for developing countries; that efforts to reform the international financial architecture need to be sustained, with

[7] A/59/326.

greater transparency and the effective participation of developing countries in decision-making processes; and that a universal, rule-based, open, non-discriminatory and equitable multilateral trading system, as well as meaningful trade liberalization, can substantially stimulate development worldwide, benefiting countries at all stages of development;

10. *Also reaffirms* that good governance at the national level is essential for poverty eradication and sustainable development; that sound economic policies, solid democratic institutions responsive to the needs of the people and improved infrastructure are the basis for sustained economic growth, poverty eradication and employment creation; and that freedom, peace and security, domestic stability, respect for human rights, including the right to development, and the rule of law, gender equality, market-oriented policies and an overall commitment to just and democratic societies are also essential and mutually reinforcing;

11. *Welcomes* the outcomes of the eleventh session of the United Nations Conference on Trade and Development, convened from 13 to 18 June 2004 in São Paulo, Brazil, and the adoption of the São Paulo Consensus[8] and the spirit of São Paulo;[9]

12. *Recognizes* the major role that trade plays as an engine of growth and development and in eradicating poverty, and welcomes the adoption by the General Council of the World Trade Organization of its decision of 1 August 2004,[10] in which the members rededicated and recommitted themselves to fulfilling the development dimensions of the Doha development agenda, which places the needs and interests of developing and least developed countries at the heart of the Doha work programme;[11]

13. *Also recognizes* that fighting corruption at all levels is a priority and that corruption is a serious barrier to effective resource mobilization and allocation and diverts resources from activities that are vital for poverty eradication, the fight against hunger and economic and sustainable development;

14. *Underlines* that, together with coherent and consistent domestic policies, international cooperation is essential in supplementing and supporting the efforts of developing countries to utilize their domestic resources for development and poverty eradication and in ensuring that they will be able to achieve the development goals as envisioned in the Millennium Declaration;

15. *Welcomes* the recent increase in official development assistance and reiterates that a substantial increase in official development assistance and other resources will be required if developing countries, in particular the least developed countries, are to achieve the internationally agreed development goals and objectives, including those contained in the Millennium Declaration, and that to build support for official development assistance, cooperation is necessary to further improve policies and development strategies to enhance aid effectiveness, both nationally and internationally;

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[8] TD/410.

[9] TD/L.382.

[10] World Trade Organization document WT/L/579 and Corr.1, available online at http://docsonline.wto.org.

[11] See A/C.2/56/7, annex.

16. *Stresses* the importance of enhanced and predictable financing to ensure the sustainability of the development and poverty eradication efforts of developing countries;

17. *Urges* developed countries that have not done so to make concrete efforts to reach the targets of 0.7 per cent of their gross national product as official development assistance to developing countries and 0.15 to 0.20 per cent of their gross national product to least developed countries, as reconfirmed at the Third United Nations Conference on the Least Developed Countries, held in Brussels from 14 to 20 May 2001,[12] encourages developing countries to build on progress achieved in ensuring that official development assistance is used effectively to help achieve development goals and targets, acknowledges the efforts of all donors, commends those donors whose official development assistance contributions exceed, reach or are increasing towards the targets, and underlines the importance of undertaking to examine the means and time frames for achieving the targets and goals;

18. *Recalls* the decision to give further consideration to the subject of possible innovative and additional sources of financing for development from all sources, public and private, domestic and external, taking into account international efforts, contributions and discussions, within the overall inclusive framework of the follow-up of the International Conference on Financing for Development;

19. *Recognizes* that an enabling domestic environment is vital for mobilizing domestic resources, increasing productivity, reducing capital flight, encouraging the private sector and attracting and making effective use of international investment and assistance, and that efforts to create such an environment should be supported by the international community;

20. *Also recognizes* that creditors and debtors must share the responsibility for preventing and resolving unsustainable debt situations and that debt relief can play a key role in liberating resources that should be directed towards activities consistent with attaining poverty eradication, sustainable economic growth and sustainable development and achieving the internationally agreed development goals, including those contained in the Millennium Declaration, and in this regard urges countries to direct those resources freed through debt relief, in particular through debt cancellation and reduction, towards these objectives;

21. *Calls upon* the developed countries, by means of intensified and effective cooperation with developing countries, to promote capacity-building and facilitate access to and transfer of technologies and corresponding knowledge, in particular to developing countries, on favourable terms, including concessional and preferential terms, as mutually agreed, taking into account the need to protect intellectual property rights, as well as the special needs of developing countries;

22. *Recognizes* the crucial role that microfinance and microcredit could play in the eradication of poverty, the promotion of gender equality, the empowerment of vulnerable groups and the development of rural communities, invites Member States to consider undertaking policies to facilitate the expansion of microfinance and microcredit institutions in order to service the large unmet demand among poor people for financial services, including the identification and development of

[12] See A/CONF.191/13.

mechanisms to promote sustainable access to financial services, the removal of institutional and regulatory obstacles and the provision of incentives to microfinance institutions that meet national standards for delivering such financial services to the poor;

23. *Also recognizes* the potential of information and communication technologies to serve as a powerful tool for development and poverty eradication and to help the international community maximize the benefits of globalization, and welcomes in this regard the holding of the first phase of the World Summit on the Information Society from 10 to 12 December 2003 in Geneva and the offer of Tunisia to host the second phase in Tunis from 16 to 18 November 2005;

Policies for the eradication of poverty

24. *Reaffirms* that the eradication of poverty should be addressed in an integrated way, as set out in the Plan of Implementation of the World Summit on Sustainable Development ("Johannesburg Plan of Implementation"),[13] taking into account the importance of the need for the empowerment of women and sectoral strategies in such areas as education, the development of human resources, health, human settlements, rural, local and community development, productive employment, population, environment and natural resources, water and sanitation, agriculture, food security, energy and migration and the specific needs of disadvantaged and vulnerable groups in such a way as to increase opportunities and choices for people living in poverty and to enable them to build and to strengthen their assets so as to achieve development, security and stability, and in that regard encourages countries to develop their national poverty reduction policies in accordance with their national priorities, including, where appropriate, through poverty reduction strategy papers,

25. *Underlines* in this context the importance of further integration of the internationally agreed development goals, including those contained in the Millennium Declaration, in the national development strategies and plans, including the poverty reduction strategy papers where they exist, and calls upon the international community to continue to support developing countries in the implementation of these development strategies and plans;

26. *Recognizes* the importance of disseminating best practices for the reduction of poverty in its various dimensions, taking into account the need to adapt those best practices to suit the social, economic, cultural and historical conditions of each country;

27. *Reaffirms* that all Governments and the United Nations system should promote an active and visible policy of mainstreaming a gender perspective in all policies and programmes aimed at the eradication of poverty, at both the national and the international levels, and encourages the use of gender analysis as a tool for the integration of a gender dimension into planning the implementation of policies, strategies and programmes for the eradication of poverty;

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[13] *Report of the World Summit on Sustainable Development, Johannesburg, South Africa, 26 August-4 September 2002* (United Nations publication, Sales No. E.03.II.A.1 and corrigendum), chap. I, resolution 2, annex.

28. *Also reaffirms* that poverty eradication, changing unsustainable patterns of production and consumption and protecting and managing the natural resource base of economic and social development are overarching objectives of, and essential requirements for, sustainable development;

29. *Emphasizes* the critical role of both formal and non-formal education, in particular basic education and training, especially for girls, in empowering those living in poverty, reaffirms in that context the Dakar Framework for Action adopted at the World Education Forum,[14] and recognizes the importance of the United Nations Educational, Scientific and Cultural Organization strategy for the eradication of poverty, especially extreme poverty, in supporting the Education For All programmes as a tool to achieve the Millennium Development Goal on universal primary education by 2015;

30. *Recognizes* the devastating effect of HIV/AIDS, malaria, tuberculosis and other infectious, contagious diseases on human development, economic growth, food security and poverty reduction efforts in all regions, in particular in sub-Saharan Africa, and urges Governments and the international community to give urgent priority to combating those diseases;

31. *Also recognizes* that HIV/AIDS continues to exact a devastating toll on individuals and families, in particular women and girls, and that in the hardest-hit countries it threatens decades of health, economic and social progress, reducing life expectancy, slowing economic growth, deepening poverty and contributing to chronic food shortages; that urgent action is needed to address gender inequality and economic dependency and poverty; and that addressing HIV/AIDS is therefore an important component of poverty eradication and a key requisite when working to achieve the internationally agreed development goals, including those contained in the Millennium Declaration;

32. *Emphasizes* the link between poverty eradication and improving access to safe drinking water, and stresses in that regard the objective to halve, by 2015, the proportion of people who are unable to reach or to afford safe drinking water and the proportion of people who do not have access to basic sanitation, as reaffirmed in the Johannesburg Plan of Implementation;

33. *Recognizes* that the lack of adequate housing remains a pressing challenge in the fight to eradicate extreme poverty, particularly in the urban areas in developing countries, expresses its concern at the rapid growth in the number of slum-dwellers in the urban areas of developing countries, particularly in Africa, stresses that, unless urgent and effective measures and actions are taken at the national and international levels, the number of slum-dwellers, who constitute one third of the world's urban population, will continue to increase, and emphasizes the need for increased efforts with a view to significantly improving the lives of at least 100 million slum-dwellers by 2020;

34. *Encourages* Governments to support the Global Campaign for Secure Tenure and the Global Campaign for Urban Governance of the United Nations Human Settlements Programme as important tools for, inter alia, promoting

[14] See United Nations Educational, Scientific and Cultural Organization, *Final Report of the World Education Forum, Dakar, Senegal, 26-28 April 2000* (Paris, 2000).

administration of land and property rights, in accordance with national circumstances, and enhancing access to affordable credit by the urban poor;

35. *Also recognizes* that the eradication of rural poverty and hunger is crucial for the achievement of the internationally agreed development goals, including those contained in the Millennium Declaration, and that rural development should be an integral part of national and international development policies;

Specific initiatives in the fight against poverty

36. *Recognizes* the important potential contribution of the World Solidarity Fund to the achievement of the internationally agreed development goals, including those contained in the Millennium Declaration, in particular the objective to halve, by 2015, the proportion of people living on less than one dollar a day and the proportion of the people who suffer from hunger;

37. *Takes note* of efforts to define the strategy of the World Solidarity Fund and to mobilize resources to enable it to start its activities, and invites Member States, international organizations, the private sector, relevant institutions, foundations and individuals to contribute to the Fund;

38. *Recalls* that in the Millennium Declaration, the heads of State and Government, inter alia, identified solidarity as one of the fundamental and universal values that should underlie relations between peoples in the twenty-first century, and in this regard decides to consider the issue of proclaiming 20 December of each year International Human Solidarity Day at the sixtieth session of the General Assembly;

39. *Invites* Governments and relevant stakeholders to utilize entrepreneurship, taking fully into account national interests, development strategies and priorities to contribute to poverty eradication;

Africa, landlocked developing countries, least developed countries and small island developing States

40. *Stresses*, as recognized in the Millennium Declaration, the importance of meeting the special needs of Africa, where poverty remains a major challenge and where most countries have not benefited fully from the opportunities of globalization, which has further exacerbated the continent's marginalization;

41. *Reaffirms* its support for the New Partnership for Africa's Development,[15] encourages further efforts in the implementation of the commitments contained therein in the political, economic and social fields, and calls upon the Member States and the international community, and invites the United Nations system, to continue to support the implementation of the Partnership, the primary objective of which is to eradicate poverty and promote sustainable development on the basis of African ownership and leadership and enhanced partnerships with the international community, in accordance with the principles, objectives and priorities of the Partnership;

[15] A/57/304, annex.

42. *Takes note* of the Plan of Action for Promotion of Employment and Poverty Alleviation in Africa[16] adopted at the extraordinary summit of the African Union on employment and poverty alleviation, held in Ouagadougou from 3 to 9 September 2004, and notes the role of the International Labour Organization in assisting the African countries in implementing the Plan of Action adopted at the summit;

43. *Calls upon* the Governments of the least developed countries and their development partners to implement fully the commitments contained in the Brussels Declaration[17] and the Programme of Action for the Least Developed Countries for the Decade 2001-2010,[18] adopted at the Third United Nations Conference on the Least Developed Countries, held in Brussels from 14 to 20 May 2001;

44. *Stresses* the vulnerabilities of the small island developing States, reiterates the importance of international support for the full implementation of the Barbados Programme of Action for the Sustainable Development of Small Island Developing States,[19] supports in this regard the holding of the International Meeting to Review the Implementation of the Programme of Action for the Sustainable Development of Small Island Developing States in Mauritius from 10 to 14 January 2005, and looks forward to its outcomes;

45. *Recognizes* the special problems and needs of the landlocked developing countries within a new global framework for transit-transport cooperation for landlocked and transit developing countries, calls, in this regard, for the full and effective implementation of the Almaty Programme of Action: Addressing the Special Needs of Landlocked Developing Countries within a New Global Framework for Transit Transport Cooperation for Landlocked and Transit Developing Countries,[20] and stresses the need for the implementation of the São Paulo Consensus,[8] adopted in São Paulo, Brazil, on 18 June 2004 at the eleventh session of the United Nations Conference on Trade and Development, in particular paragraphs 66 and 84 thereof, by the relevant international organizations and donors in a multi-stakeholder approach;

The United Nations and the fight against poverty

46. *Calls* for the full implementation of General Assembly resolution 57/270 B of 23 June 2003 on the integrated and coordinated implementation of and follow-up to the outcomes of the major United Nations conferences and summits in the economic and social fields, which provide a comprehensive basis for the follow-up to the outcomes of those conferences and summits and contribute to the achievement of the internationally agreed development goals, including those

[16] EXT/ASSEMBLY/AU/4 (III) Rev.4.

[17] A/CONF.191/13, chap. I.

[18] Ibid., chap. II.

[19] *Report of the Global Conference on the Sustainable Development of Small Island Developing States, Bridgetown, Barbados, 25 April-6 May 1994* (United Nations Publication, Sales No. E.94.I.18 and corrigenda), chap. I, resolution 1, annex II.

[20] *Report of the International Ministerial Conference of Landlocked and Transit Developing Countries and Donor Countries and International Financial and Development Institutions on Transit Transport Cooperation, Almaty, Kazakhstan, 28 and 29 August 2003* (A/CONF.202/30), annex I.

contained in the Millennium Declaration, in particular the eradication of poverty, and stresses the importance of the 2005 high-level event to be held at the commencement of the sixtieth session of the General Assembly, as decided by the Assembly in its resolution 58/291 of 6 May 2004;

47. *Reaffirms* the role of United Nations funds and programmes, in particular the United Nations Development Programme and its associated funds, in assisting the national efforts of developing countries, inter alia, in the eradication of poverty, and the need for their funding in accordance with the relevant resolutions of the United Nations;

48. *Requests* the Secretary-General to submit a report to the General Assembly at its sixtieth session on the implementation of the present resolution;

49. *Decides* to include in the provisional agenda of its sixtieth session the item entitled "Implementation of the First United Nations Decade for the Eradication of Poverty (1997-2006)".